



2001 Munitions Executive Summit Briefing

Conflict Prevention

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**Tuesday,
February 13, 2001**

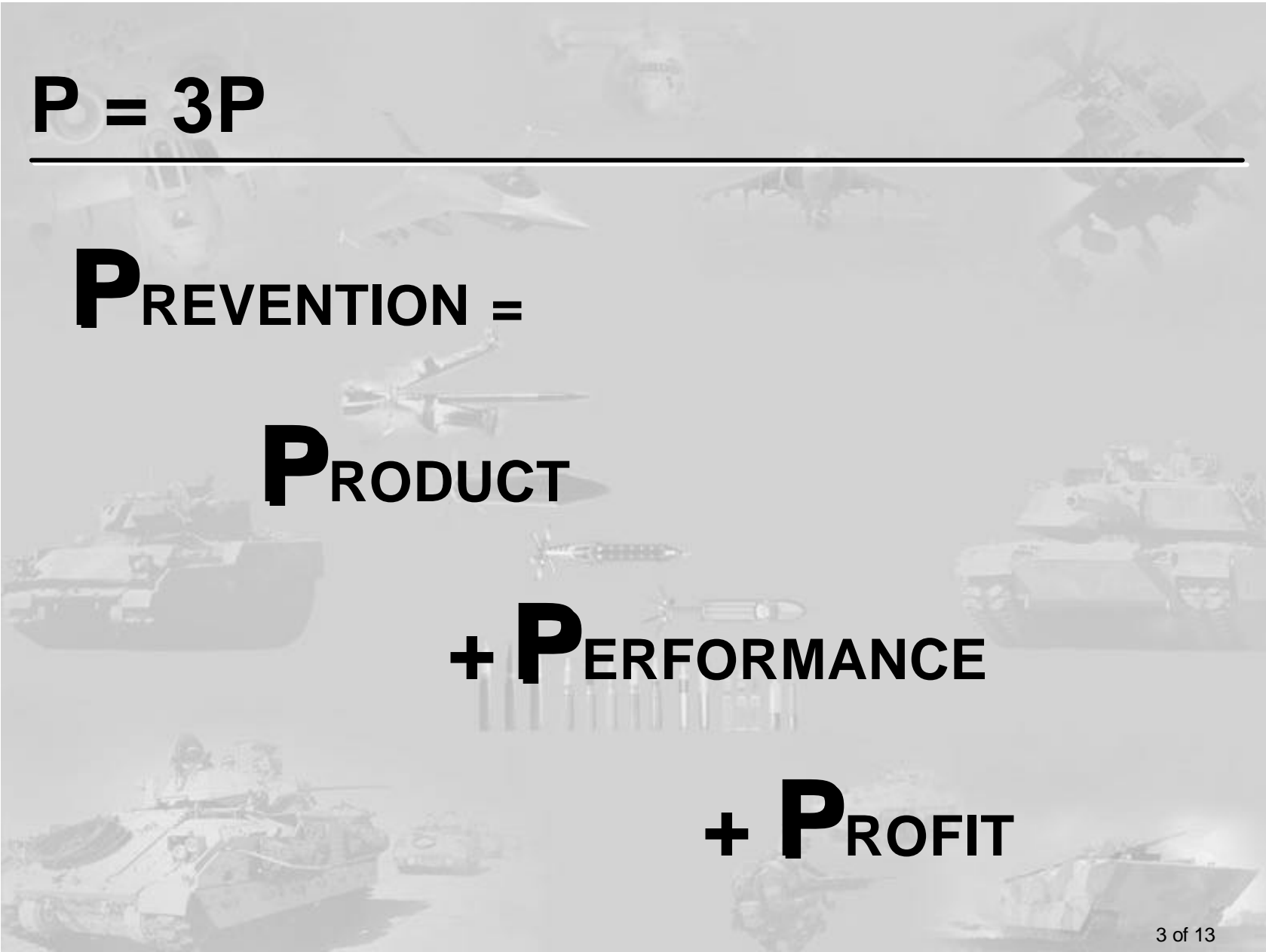


Conflict is Rooted in Unmet Expectations

Multiple-Choice Quiz

“You Could Make These in 1988. You Must Have”

- ☐ • Lost the recipe
- ☐ • Never had the total recipe
- ☐ • Put new demands on the old recipe
- ☐ • Changed the equipment
- ☐ • All of the above



P = 3P

PREVENTION =

PRODUCT

+ **P**ERFORMANCE

+ **P**ROFIT

Things We Can Do

Product

- Emphasize margins of safety (robustness)
- Eliminate undesirable conformances
- Enhance acceptance criteria

Performance

- Quarterly executive program reviews

Profit

- Accept $\geq 10\%$ profit
- Mitigate “Liar’s Poker” competitions

What is Margin of Safety?

$$\text{Margin of Safety} = 1 - \frac{\text{What You Apply}}{\text{What You Can Stand}}$$

or

$$\text{M.S.} = 1 - \frac{\text{Load}}{\text{Allowable}}$$

What is an Undesirable Conformance?

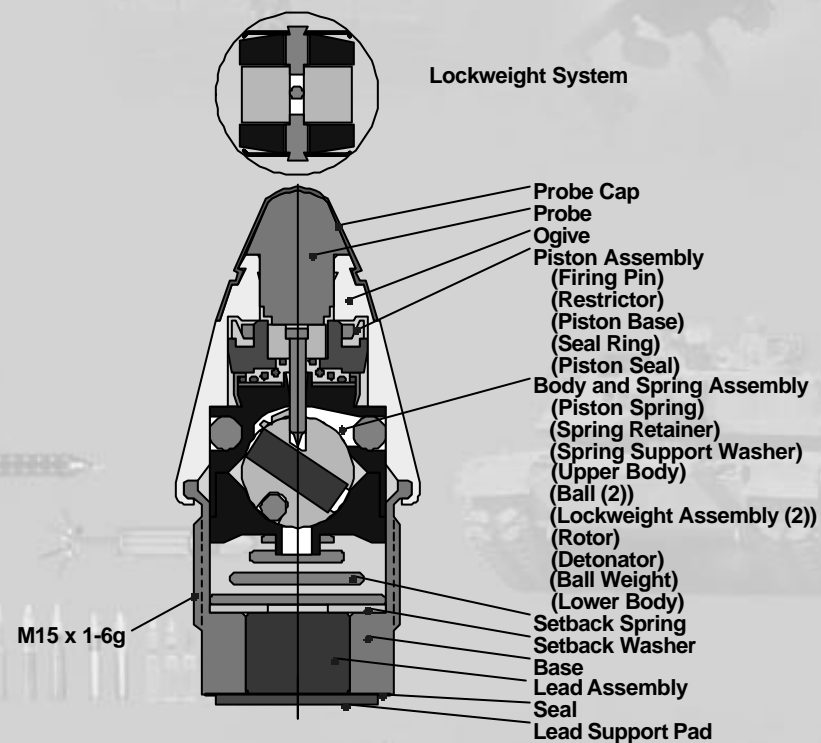
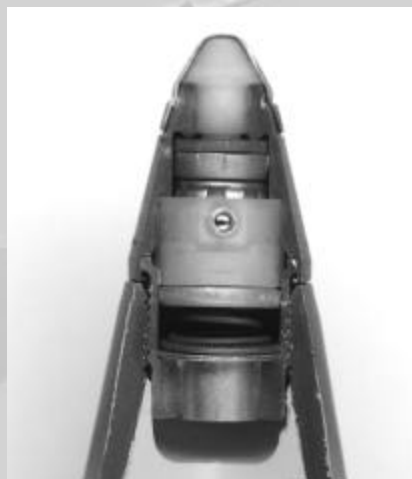
- Examples
 - “Out-of-family” variation
 - Acceptable test failures
 - Thin margin of safety

The Vital Signs Don't Always Tell The Whole Story

- Acceptance criteria are somewhat analogous to vital signs
 - We need to be flexible to add/subtract or modify as the technology advancements dictate
- Averaging may mask some potential issues
- Ammunition is not a commodity

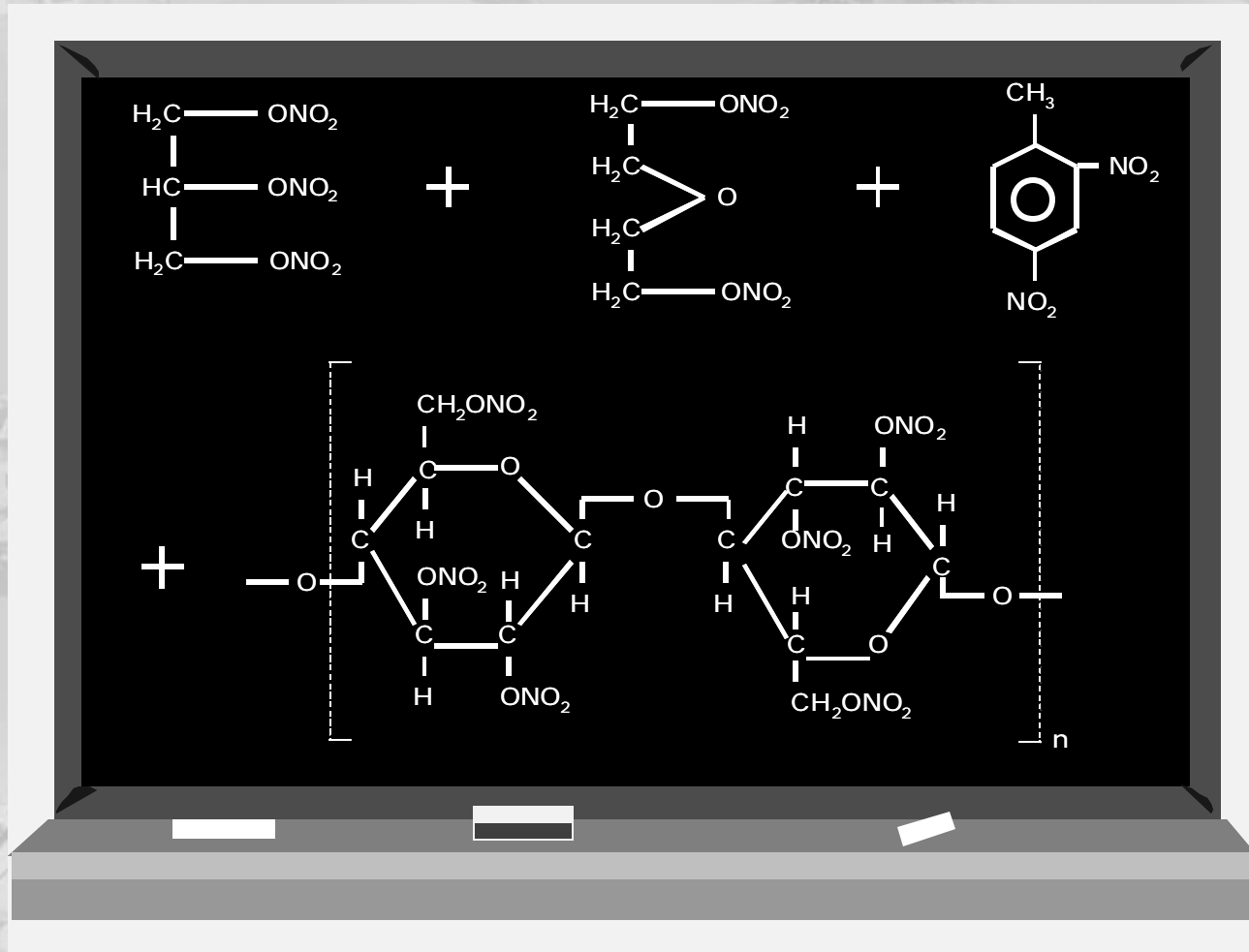


Conventional Ammo Ain't So Dumb!



M792 HEI-T 25mm Round with M758 Mechanical Fuze

Simple Gunpowder???



Executive Program Reviews for Performance

- Technical, cost, schedule ratings
 - Current status and projections
- Include some of the aforementioned “Things We Can Do”
- Intent is to eliminate surprises, provide risk assessments, and define paths to issue resolutions

Profit is Not a 4-Letter Word

- Stakeholders, including “The Street,” are expecting profits $\geq 10\%$
 - Technical products carry technical risks
- Healthy munitions producers can make much better partners

Acquisition Improvement Suggestion

- New programs
 - Carry two competitors through a reasonable (i.e., 1 year) demonstration phase
 - Selection based on review of real, demonstrated, and substantiated information
- Existing programs
 - Provide some \$'s to address aforementioned “Things We Can Do”

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